

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 9 — 0 1 2

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

~~6/15/99~~ 6/16/99

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR

7. FEDERAL BUDGET IMPACT:

a. FFY 99 \$ 513

b. FFY 00 \$2,050

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B pages 2, 44, & 45

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B pages 2, 44, & 45

10. SUBJECT OF AMENDMENT:

Revise payment percentages for hospital outpatient services and provider based
Rural Health Clinics.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *JP*
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Gary J. Stangler

14. TITLE:

Director

15. DATE SUBMITTED:

June 29, 1999

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

06/30/99

18. DATE APPROVED:

AUG 28 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

06/16/99

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Nanette Foster Reilly

22. TITLE:

Acting
ARA for Medicaid and State Operations

23. REMARKS:

cc:
Martin
Vadner
Waite
CO

SPA CONTROL

Date Submitted 06/29/99

Date Received 06/30/99

Replacement page

Attachment 4.19-B
Page 2

1. Reasonable costs as determined by the state agency's annual review of the participating hospital's outpatient fiscal year-end cost reports and reconciliation of the Medicaid allowable charges and reimbursement for Medicaid services provided during that fiscal year; or
 2. Usual and customary charges as billed by the provider of services and as representing a prevailing charge in the locality for comparable services under comparable circumstances.
- C. All facilities which meet the Medicare criteria for exemption from the lower of cost or charge limitation as nominal charge providers for fiscal year cost determinations shall have their net reimbursement determined at no more than one hundred percent (100%).
- D. Within ninety (90) days following the receipt of the complete unaudited Medicaid-Medicare cost report filed by the provider in accordance with V.A. Attachment 4.19 A of the inpatient hospital services reimbursement plan, interim outpatient settlements for facilities having a fiscal year-end subsequent to January 1, 1984 will be done after desk review of the report for only the following hospitals:
1. High volume Medicaid hospitals that serve a disproportionate number of low income recipients and meet the criteria defined in VI.A.2., and 3. Attachment 4.19 A, of the inpatient hospital services reimbursement plan. Interim settlements will be at not more than one hundred percent (100%) of the lower of unaudited costs of usual and customary charges for covered services; and
 2. Hospitals as defined in section C., Interim settlements will be at not more than one hundred percent (100%) of cost. A letter from Medicare attesting to the exemption must accompany the cost report.
- E. For reporting purposes in the outpatient Medicaid data, facilities shall not include services reimbursed from a fee schedule, which include services to GR recipients, the clinical diagnostic laboratory services as identified on page 2a of attachment 4.19-B, and services of hospital-based physicians and certified registered nurse anesthetists.
- F. The final outpatient settlements for hospitals will be calculated for each fiscal year in accordance with Attachment to 4.19A appendix B page 6 Section (4)(D) and (E).
- G. Outpatient hospital services provided for those recipients having available Medicare benefits shall be reimbursed by Medicaid to the extent of the deductible and coinsurance as imposed under Title XVIII.

State Plan TN# 99-12
Supersedes TN# 98-06

Effective Date 06/16/99
Approval Date AUG 28 2001

substitute per letter dated 7/23/99

- (E) Attorney fees related to litigation involving state, local or federal governmental entities and attorneys' fees that are not related to the provision of provider-based RHC services, such as litigation related to disputes between or among owners, operators or administrators;
- (E) Central office or pooled costs not attributable to the efficient and economical operation of the facility;
- (F) Costs such as legal fees, accounting costs, administration costs, travel costs and the costs of feasibility studies that are attributable to the negotiation or settlement of the sale or purchase of any capital asset by acquisition or merger for which any payment has been previously made under the program;
- (G) Late charges and penalties;
- (H) Finders' fees;
- (I) Fund-raising expenses;
- (J) Fund-raising expenses
- (K) Interest expense on intangible assets;
- (L) Religious items or supplies or services of a primarily religious nature performed by priests, rabbis, ministers or other similar types of professionals. Costs associated with portions of the physical plant used primarily for religious functions are also nonallowable;
- (M) Research costs;
- (N) Salaries, wages or fees paid to nonworking officers, employees or consultants;
- (O) Value of Services (imputed or actual) rendered by non-paid workers or volunteers; and
- (P) Costs of services performed in a satellite clinic, which does not have a valid Medicaid participation agreement with the Department of Social Services for the purpose of providing provider-based RHC services to Medicaid eligible recipients.

(1)
(A)

Interim Payments.

- (A) Provider-based RHC. Provider-based RHC services that are an integral part of the hospital, skilled nursing facility or home health agency unless otherwise limited by regulation, shall be reimbursed on an interim basis by Medicaid based on the clinic's usual and customary charges multiplied by the lower of one hundred percent (100%) or one hundred percent (100%) of the RHCs cost-to-charge ratio as determined from a prior year Medicare cost report. Interim payments shall be reduced by copayments and other third party liabilities.

(8) Reconciliation.

- (A) The state agency shall perform an annual desk review of the Medicaid cost reports for each provider-based RHC's fiscal year and shall make indicated adjustments of additional payment or recoupment, in order that the provider-based RHC's net reimbursement shall equal reasonable costs as described in this section.
- (B) Notice of program reimbursement. The division shall send written notice to the provider-based RHC of the following:
 - 1. Underpayments. If the total reimbursement due the RHC exceeds the interim payments made for the reporting period, the division makes a lump-sum payment to the RHC to bring total interim payments into agreement with total reimbursement due the RHC.
 - 2. Overpayments. If the total interim payments made to an RHC for the reporting period exceed the total reimbursement due the RHC for the period, the division arranges with the RHC for repayment through a lump-sum refund, or, if that poses a hardship for the RHC, through offset against subsequent interim payments or a combination of offset and refund.
- (C) The annual desk review will be subject to adjustment based on the results of a field audit that may be conducted by the division or its contracted agents.

(9) Sanctions.

- (A) The division may impose sanctions against a provider in accordance with 13 CSR 70-3.030 Sanctions for False or Fraudulent Claims for Title XIX Services or any other sanction authorized by state or federal law or regulation.
- (B) Overpayments due the Medicaid program from a provider shall be recovered by the division in accordance with 13 CSR 70-3.030 Sanctions for False or Fraudulent Claims for Title XIX Services.